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C O N F I D E N T I A L BRUSSELS 000904

NOFORN
SIPDIS

STATE FOR EUR/ERA, EAP (SMARCIEL, ACOPE), EEB/ESC
(KMCCORMACK), IO (BHOOK)
TREASURY FOR OFAC (ASZUBIN, AGACKI)

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TAGS: [ETTC](#) [EFIN](#) [PHUM](#) [PREL](#) [KDEM](#) [EUN](#) [BM](#) [AORC](#) [UNSC](#) [FR](#)
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SUBJECT: EU STILL CONSIDERING BURMA SANCTIONS OPTIONS

REF: EMAIL 4/3/08 COPE-SNYDER ET AL "OFAC PAPER ON
BURMA SANCTIONS"

Classified By: USEU EconMinCouns Peter Chase for reasons 1.4 (b) and (d).

1. (C//NF) SUMMARY: A Commission sanctions staffer confirmed sanctions reform should not factor into Burma discussions at the June 16 EU General Affairs and External Relations Council (GAERC). However, a June 18 meeting of the EU Council's Working Party on Asia and Oceania (COASI), including capitals-based experts, should have an initial discussion on a new sanctions reform options paper drafted by the Commission. The Commission proposal draws in part (though not overtly) on U.S. ideas shared during and in following up on IO DAS Hook and OFAC Director Szubin's March 26 trip to Brussels (REF Nonpaper). The Commission expects discussions will continue into the French Presidency for a final Council decision. END SUMMARY.

2. (C//NF) Our contact confirmed that other priorities have taken precedence on Burma since Cyclone Nargis, but "making the existing EU sanctions work better is definitely still an issue being discussed, at a slightly slower pace." Final decisions may take some time or depend on political and humanitarian considerations. Contact also noted the French do not want to overburden their mission in Rangoon with re-examining the sanctions regime. The French have so far rejected Commission recommendations that the EU look to "open source and third state" information for how to further rationalize EU Burma sanctions to avoid overtaxing missions in the field, though other EU Member States have shown some support to this approach. The July 2 or subsequent COASI meetings may decide what course to take going forward on the Commission proposals to be presented June 18. COASI's decision would then be forwarded to the Council's External Relations Counselors (RELEX Counselors) for legal and technical processing; RELEX Counselors in turn would submit the proposal to the Permanent Representatives (COREPER II) to prepare for a final EU Council approval.

3. (C//NF) COMMENT: The USG should continue along the current course of waiting to see how the Commission fares in feeding U.S. ideas (REF Nonpaper) for EU Burma sanctions revisions into the EU system. French, Commission, and other

contacts have mentioned to USEU that a UK representative had mistakenly raised the bilaterally-shared U.S. nonpaper on EU Burma sanctions as "a U.S. proposal" to a subsequent RELEX Counselor meeting. This spurred controversy and provoked vocal resistance from certain other Member States before even hearing the ideas' merits. To engage more directly EU-wide at this point could be misinterpreted that the U.S. cares more about sanctions than humanitarian policy in the wake of the cyclone or inadvertently provoke a backlash if we appear "too pushy." We should continue the current behind-the-scenes tactic of fostering an organic development of proposals from within the EU apparatus. Key working-level Commission and Council Secretariat Burma sanctions contacts (with the notable public dissent of Commissioner Michel, to Commissioner Ferrero-Waldner's continued irritation) seem on board with U.S. views and at this point are well-positioned to shepherd them through the EU's convoluted decision-making process. END COMMENT.

¶4. (U) MINIMIZE CONSIDERED.

MURRAY

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